

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Agriculture Department – Procurement and Pre-positioning of Fertilizers for the year 2011-12 – Nomination of A.P. State Cooperative Marketing Federation Limited as Nodal Agency – Orders – Issued.

AGRICULTURE & COOPERATION (FP.II) DEPARTMENT

G.O.Rt.No.309

Dated:17-03-2011.

Read:

From the Commissioner & Director of Agriculture, Hyderabad Letter No.Fert.I(2)
249/2010, dated 19.1.2011.

ORDER

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The Commissioner & Director of Agriculture, Hyderabad vide letter read above has reported that the Managing Director, A.P. Markfed, Hyderabad has submitted the proposal for nominating the A.P. Markfed as Nodal Agency for procurement, pre-positioning and distribution of fertilizers for the agricultural year 2011-12 and there is a need to maintain buffer stocks of Urea, DAP and Complexes Fertilizers in view of unrest and hardship caused to farmers on account of meager availability of DAP and Complex Fertilizers in the beginning of Kharif 2008 and in order to avert such crisis in future the Government had nominated A.P. MARKFED for procurement and pre-positioning of fertilizers during 2008-09 (Rabi season), 2009-10 and 2010-11 and also permitted the Agency to raise loan to a tune of Rs.500.00 crores and agreed to reimburse the interest and carrying costs of storage, handling and transportation. This measure has ensured availability of fertilizers to the needy areas in time during the year 2008-09 Rabi season and 2009-10.

2. In view of the position explained above, the Commissioner & Director of Agriculture, Hyderabad has requested the Government to consider the proposals of the A.P. MARKFED as Nodal Agency for Agricultural year 2011-12 and permit the Agency to purchase and maintain 1.00 LMT of Urea, DAP and Complexes as buffer to ensure availability of the fertilizers in time to needy areas and avoid hardship to farmers.

3. After careful examination of the matter, Government hereby nominate the A.P.State Cooperative Marketing Federation Limited (A.P.MARKFED), Hyderabad as Nodal Agency for the State of Andhra Pradesh, for procurement and pre-positioning of fertilizers for the Kharif and Rabi seasons 2011-12. Government also permit the A.P.MARKFED to raise loans upto Rs. 500.00 Crores (Rupees Five hundred crores only) for the above purpose from Banks /Financial Institutions. The A.P. Markfed shall operate the limit upto Rs.250.00 Cores for procurement of 1.00 lakh MTs of Urea, 1.00 lakh MTs of DAP and 1.00 lakh MTs of complex. The limit beyond Rs.250.00 Crores will be operated only if there is an essential need to maintain additional buffer stocks.

4. Government will bear the interest accrued on the said loans for the financial year 2011-12 i.e., upto end of Rabi 2011-12 on quarterly basis or till liquidation of the stocks thus procured and till clearance of all loans raised for the above purpose and will also reimburse the cost of incidental charges such as insurance, handling, storage and transportation etc., for the season 2011-12. In view of this 100% subvention of interest, no separate Government guarantee is envisaged.

5. The A.P.MARKFED shall procure the fertilizers depending upon the need and as per the guidelines to be issued by the Commissioner & Director of Agriculture, A.P., Hyderabad separately. The drawl of amounts of loans shall be only to the extent of requirement. The reimbursement of interest on the loans raised shall be on quarterly basis and reimbursement of incidental charges such as insurance, handling, storage and transportation etc., expenditure shall be on submission of detailed bills for reimbursement of actual amounts after incurring the expenditure.

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6. The Managing Director, A.P.MARKFED shall allocate the required quantities of fertilizers to the A.P.AGROS, HACA etc., in consultation with Commissioner & Director of Agriculture and coordinate with these agencies in distribution of fertilizers in the State.
7. The Commissioner & Director of Agriculture, A.P., Hyderabad / The Managing Director, A.P.MARKFED, Hyderabad shall take further necessary action, in the matter.
8. This order issues with the concurrence of Finance (EAC) Department vide their U.O.No.1260/65/A2/EAC/2011, dated: 24.02.2011.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

V. NAGI REDDY
PRINCIPAL SECRETARY TO GOVERNMENT

To

The Commissioner & Director of Agriculture, A.P. Hyderabad.

The Managing Director, A.P.MARKFED, Hyderabad.

Copy to:

The VC & MD, A.P.AGROS, Hyderabad.

The Managing Director, Agriculture Cooperative Association Ltd., Hyderabad (HACA).

The Finance (EAC) Department.

P.S. to Minister(Agri.)

P.S. to Addl. Secretary to CM

P.S. to Prl. Secretary to Govt.(Agri.)

SF/SC.

//Forwarded::By Order//

SECTION OFFICER